

M.V.K. AGRO FOOD PRODUCT LIMITED

(CIN: L15316MH2018PLC304795)

Reg. Office: Gut No. 44 And 46, Kusumnagar, At Post Waghalwada,
Umari, Nanded - 431807, Maharashtra, India

NOMINATION AND REMUNERATION POLICY

(Effective from 20/12/2023)

NOMINATION AND REMUNERATION POLICY

[Under Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014]

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of Every Listed Company and such other class or classes of Companies, as may be prescribed under Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall constitute the Nomination and Remuneration Committee.

The Board of Directors (the “Board”) of M.V.K. Agro Food Product Limited (the “Company”), has adopted the following policy and procedures with regard to Nomination and Remuneration as defined below. The Nomination and Remuneration Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

OBJECTIVES

The key Objectives of the Nomination & Remuneration Committee would be:

- a) To guide the Board in relation to Appointment and Removal of Directors, Key Managerial Personnel and Senior Management;
- b) To evaluate the Performance of the Members of the Board and provide the necessary report to the Board for further evaluation;
- c) To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) To provide to Key Managerial Personnel and Senior Management, rewards linked directly to their effort, performance, dedication and achievement relating to the company’s performance;
- e) To retain, motivate and promote talent and to ensure the long-term sustainability of talented managerial persons and create competitive advantage;
- f) To enable the Company for competing effectively in the labour market and to recruit and retain high caliber staff;
- g) To operate at the minimum rate of labour turnover.

DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed thereunder as amended from time to time.

“**Board**” refers to the Board of Directors of M.V.K. Agro Food Product Limited.

“**Directors**” mean Directors of M.V.K. Agro Food Product Limited.

“**Independent Director**” means Director appointed in terms of Section 149 of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means:

- a) Chief Executive Officer or the Managing Director or the Manager,
- b) Company Secretary,
- c) Whole-time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed.

“Senior Management” means Personnel of the Company who are members of its Core Management team excluding the Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

SCOPE

The Board of the Company has constituted the Nomination and Remuneration Committee as per the requirement of provisions of the Companies Act, 2013. This policy prescribes guidelines, criteria and principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior management of the Company.

POLICY ON CONSTITUTION AND OPERATIONS OF THE COMMITTEE

MEMBERSHIP:

- ❖ The Committee shall consist of a minimum 3 Non-Executive Directors, the majority of them being Independent.
- ❖ Minimum two (2) members shall constitute a Quorum for the Committee meeting.
- ❖ Membership of the Committee shall be disclosed in the Annual Report & updated on the website of company.
- ❖ Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON:

- ❖ Chairperson of the Committee shall be an Independent Director.
- ❖ Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- ❖ In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- ❖ Chairperson of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS:

- ❖ A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ❖ The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be appropriately recorded in the Minutes Book and signed by the Chairman within 30 days of the said meeting or by the Chairman of the next succeeding meeting. A minute of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

POLICY

a) Appointment of Directors/ Key Managerial Personnel or Senior Management Personnel.

The Nomination and Remuneration Committee, Inter alia, consider qualification, positive attributes, areas of expertise, experience, relevant knowledge about the industry of the Company and directorship or membership in various other companies as well as independency of the Directors in case of appointment of Independent Director. The Committee recommend to the Board of the Company, for any appointment, afterwards final decision shall be taken by the Board of the Company.

b) Remuneration to Directors and Key Managerial Personnel.

- ❖ The Committee shall recommend to the Board about the remuneration to the Directors and Key Managerial Personnel and periodically review that the remuneration payable to the Directors and Key Managerial Personnel is in line with and limits prescribed under provisions of the Companies Act, 2013 and approved by the shareholders of the Company.
- ❖ The Remuneration to the Directors and Key Managerial Personnel shall be in line with the limits prescribed under provisions of the Companies Act, 2013 and rules made thereunder.
- ❖ Non-executive Directors shall be entitled to sitting fees for attending meeting of the Board and Board Committees as may be decided by the Board and/or approved by the Shareholders from time to time. They are also entitled to commission from profit if any, approved by the Board.

- ❖ For determining the remuneration of Directors and Key Managerial Personnel the Committee shall take into account remuneration trends in the group companies, or peers industry.
- ❖ For determining remuneration to Directors and Key Managerial Personnel the Committee shall have the power to obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the board.
- ❖ The remuneration structure shall include the following components:
 - (i) Basic salary
 - (ii) Allowances & Perquisites
 - (iii) Commission, if any.
 - (iv) Stock options, if any.
 - (v) Retired Benefits
 - (vi) Incentives
- ❖ The Committee shall periodically review the remuneration payable to the directors and key managerial personnel and recommend any revision thereof on the basis of the financial condition of the Company and the performance of the director or key managerial personnel.

c) Remuneration to senior management and other employees.

The Remuneration to senior management and other employees shall be decided on the basis of qualification, experience, performance, job profile, skills, position and industry criteria.

d) Loan and advances to directors, key managerial personnel and senior management

The Committee shall review and approve the loans and advances to directors, key managerial personnel and senior management in line with the requirements of provisions of the Companies Act, 2013 and rules made thereunder.

MODIFICATION AND AMENDMENT

This policy is subject to modification and amendments from time to time.
